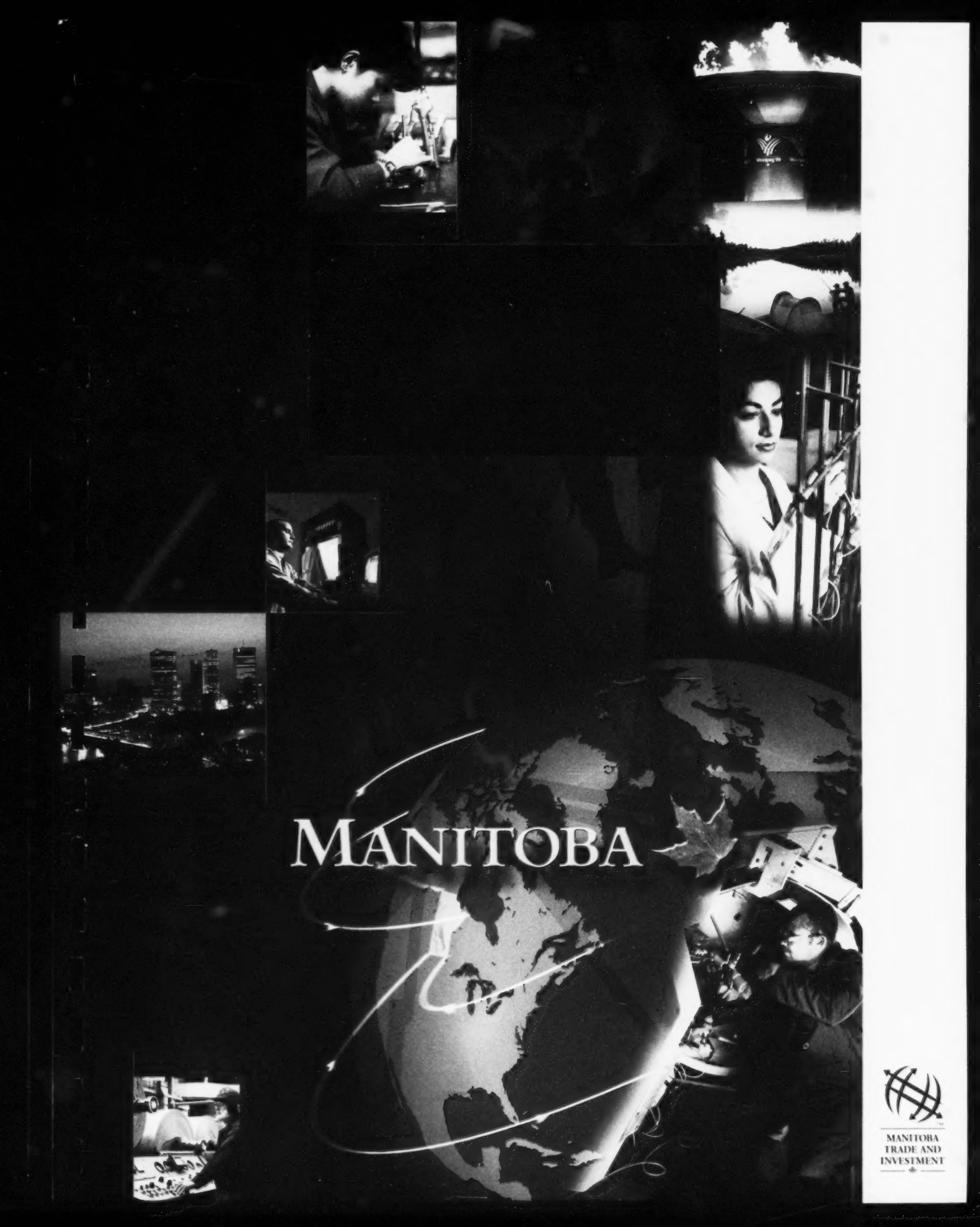
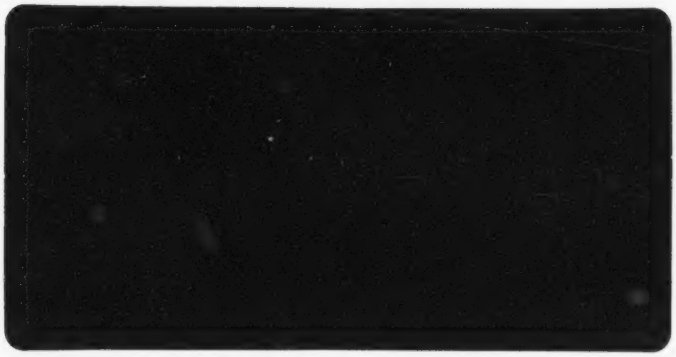
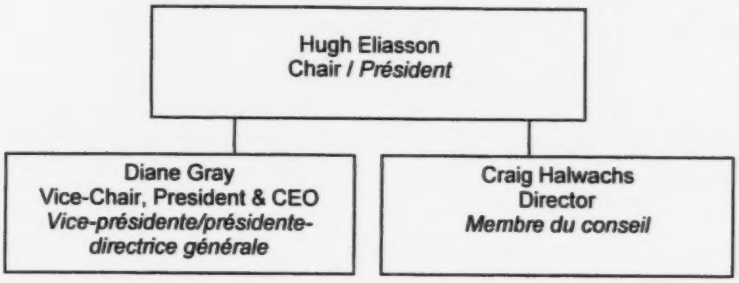

MANITOBA
MANITOBA
TRADE AND
INVESTMENT



MANITOBA TRADE AND INVESTMENT CORPORATION
ANNUAL REPORT 2006/07

SOCIETE DU COMMERCE
ET DE L'INVESTISSEMENT DU MANITOBA
RAPPORT ANNUEL 2006/07

Board of Directors
Conseil d'administration



The Manitoba Trade and Investment Corporation (MTIC) is a provincial agency of Manitoba Competitiveness, Training and Trade. As an administrative mechanism, the Corporation supports the economic priority of building the Manitoba economy through increased exports and industry investment. The Corporation facilitates cost-sharing partnerships for specific projects and provides administrative support for missions by collecting revenues and paying related expenditures.

Canada-Manitoba Memorandum of Understanding for International Business Development
Economic development is a co-operative effort, and MTIC encourages and facilitates co-operation with other provincial, federal and civic economic development agencies. A key example is the high level of co-operation between the Province and the federal government arising from a Memorandum of Understanding (MOU) to promote international business development.

MTIC acts as the coordinator of the MOU on behalf of the partners. It provides a part-time Coordinator and manages the cost-sharing of MOU projects.

Exporter Development – International Trade Development concentrates on new exporter development and trade promotion for a two-fold purpose – to increase the number of Manitoba companies that are active exporters and to increase their market diversification. MTIC's role is to provide a project cost-sharing mechanism among Manitoba firms and government entities.

La Société du commerce et de l'investissement du Manitoba est un organisme provincial qui relève de la Compétitivité, Formation professionnelle et Commerce Manitoba. En tant que mécanisme administratif, la Société soutient la priorité économique d'agrandir l'économie du Manitoba par l'augmentation des exportations et des investissements dans les industries manitobaines. La Société facilite les partenariats financiers pour des projets précis et offre un soutien administratif pour les missions d'affaires par le recouvrement des recettes et du paiement des dépenses liées aux projets.

Protocole d'entente Canada-Manitoba concernant le développement du commerce international – Le développement économique étant véritablement un effort de co-opération, la Société du commerce et de l'investissement du Manitoba encourage et facilite la co-opération avec d'autres organismes provinciaux, fédéraux et municipaux de développement économique. À titre d'exemple, mentionnons le niveau élevé de co-opération entre la province et le gouvernement fédéral dans le cadre d'un protocole d'entente (PE) visant à promouvoir le développement commercial international.

La Société assure la coordination du PE, au nom des partenaires. Elle fournit un coordinateur à temps partiel et gère le partage des frais des projets du PE.

Développement des marchés d'exportation – Le développement du commerce international est axé sur le développement de nouveaux marchés d'exportation et la promotion du commerce afin d'augmenter le nombre d'entreprises manitobaines qui exportent activement et d'accroître la diversification de leurs marchés. Le rôle de la Société consiste à fournir un mécanisme de répartition des coûts des projets parmi les entreprises et les organismes gouvernementaux du Manitoba.

MINISTER OF COMPETITIVENESS, TRAINING AND TRADE

Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable John Harvard, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I am pleased to present the Annual Report for Manitoba Trade and Investment Corporation for the fiscal year ending March 31, 2007.

Respectfully submitted,

Scott Smith
Minister

MINISTER OF COMPETITIVENESS, TRAINING AND TRADE

Winnipeg, Manitoba, CANADA
R3C 0V8

L'honorable John Harvard
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant-gouverneur:

J'ai le plaisir de présenter à Votre Honneur le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice se terminant le 31 mars 2007.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Scott Smith
Ministre

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

May 23, 2007

Minister of Competitiveness, Training and Trade
Room 358 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

It is our pleasure to submit the Annual Report of the Manitoba Trade and Investment Corporation for the fiscal year ended March 31, 2007, as required by Section 15 of the *Manitoba Trade and Investment Corporation Act*.

Respectfully submitted,

Hugh Eliasson
Chair

Diane Gray
President

MANITOBA
TRADE AND
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1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

Le 23 mai 2007

Ministre de la Compétitivité, de la Formation professionnelle et du Commerce Manitoba
Palais législatif, bureau 358
Winnipeg (Manitoba) R3C 0V8

Monsieur le ministre:

Nous avons le plaisir de vous présenter le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice qui s'est terminé le 31 mars 2007, tel que le stipule l'article 15 de la *Loi sur la Société du commerce et de l'investissement du Manitoba*.

C'est avec respect, Monsieur le ministre, que nous vous soumettons ce document.

Le président,

Hugh Eliasson
Chair

La présidente,

Diane Gray
President

Manitoba Trade and Investment Corporation

Financial Statements

March 31, 2007

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

May 16, 2007

THE MANITOBA TRADE AND INVESTMENT CORPORATION
MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles.

To fulfil this responsibility, management maintains internal control systems to provide reasonable assurance that the accounts and records accurately reflect all transactions and that appropriate policies are established and respected.

The statements are examined by the Office of the Auditor General of Manitoba, whose opinion is included herein. The Auditor General has free access to the Board of Directors, with and without management present, to discuss the results of their audit and the quality of financial reporting to the Board.

Hugh Eliasson
Chair

Brian Johnston
Financial Officer

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of Manitoba Trade and Investment Corporation

We have audited the balance sheet of the Manitoba Trade and Investment Corporation as at March 31, 2007 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Manitoba Trade and Investment Corporation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Winnipeg, Manitoba
May 16, 2007

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

MANITOBA TRADE AND INVESTMENT CORPORATION
BALANCE SHEET
MARCH 31, 2007
(With Comparative Figures for 2006)

	2007	2006
ASSETS	$	$
Current Assets:		
Cash	$ 320,305	$ 282,836
Short-term investments (Note 3)	500,000	500,000
Accounts Receivable - Trade	6,845	22,767
Accounts Receivable - Province of Manitoba (Note 8)	24,947	20,818
Total Current Assets	852,097	826,421
TOTAL ASSETS	$ 852,097	$ 826,421
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$ 32,204	$ 32,894
Deferred Revenue (Note 4)	16,850	-
Operating Advance Payable (Note 5)	500,000	500,000
Total Current Liabilities	549,054	532,894
TOTAL LIABILITIES	$ 549,054	$ 532,894
RETAINED EARNINGS	303,043	293,527
TOTAL LIABILITIES AND RETAINED EARNINGS	$ 852,097	$ 826,421

See accompanying notes to financial statements.

Approved by:

Chair of the Board

Financial Officer

MANITOBA TRADE AND INVESTMENT CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2007
(With Comparative Figures for 2006)

	2007 $	2006 $
Revenue:		
Contract Fees Recoveries (Note 6)	$ 364,112	$ 407,293
Participation Fees - Province of Manitoba & Government Enterprises (Notes 2 and 6)	2,833	86,771
Participation Fees - Other (Note 2)	32,760	41,961
Interest (Note 6)	19,696	13,517
Administration Fees	3,095	2,601
Total Income	422,496	552,143
Expenses:		
Contract Fees - Trade	373,215	393,490
Program (Note 2)	30,419	119,704
Audit Fees (Note 6)	6,100	8,500
Administration Expenses	3,095	2,601
Miscellaneous	151	-
Total Expenses	412,980	524,295
Net Income for the Year	9,516	27,848
Retained Earnings, beginning of year as originally stated	270,428	903,737
Add: Restatement of Prior Period (Note 8)	23,099	-
Retained Earnings, beginning of year as restated	293,527	-
Less: Transfer of Provincial Nominee Program for Business to Manitoba Development Corporation	-	(638,058)
Retained Earnings, end of year	$ 303,043	$ 293,527

See accompanying notes to financial statements.

MANITOBA TRADE AND INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2007
(With Comparative Figures for 2006)

Operating Activities:	2007 $	2006 $
Net Income for the year	$ 9,516	$ 27,848
Changes in non-cash working capital		
Accounts Receivable - Trade	15,922	(8,219)
Accounts Receivable - Province of Manitoba	(4,129)	15,083
Accrued Interest - Province of Manitoba	-	81,742
Accounts Payable and Accrued Liablities	(690)	(67,860)
Deferred Revenue	16,850	(1,360)
Net cash flow from (to) operating activities	37,469	47,234
Net increase (decrease) in cash and cash equivalents	37,469	47,234
Cash and cash equivalents, beginning of year	282,836	873,660
Less: Transfer of Provincial Nominee Program for Business to Manitoba Development Corporation	-	(638,058)
Cash and cash equivalents, end of year	$ 320,305	$ 282,836
Cash and cash equivalents reconciliation:		
Cash	$ 320,305	$ 282,836
Short-term investments	500,000	500,000
Short-term investments, term to maturity greater then 90 days	(500,000)	(500,000)
	320,305	282,836

See accompanying notes to financial statements.

1. Nature of Operations and Economic Dependence

The Manitoba Trade and Investment Corporation (the Corporation) was formed by an Act of Legislation in 1974. The objects of the Corporation, as set out in the Act, are to:

- encourage, promote, develop and increase Manitoba exports and trade;
- promote investment in Manitoba; and
- promote international business opportunities for Manitoba businesses and assist Manitoba businesses in promoting those business opportunities.

The Corporation is economically dependent on the Province of Manitoba as all project shortfalls and deficits incurred by the Corporation are recovered from the Province.

2. Significant Accounting Policies

a. Basis of Accounting

The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

b. Participation Fees and Program Expenses

Participation Fees and Program Expenditures are recognized as revenue or expense in the same period that the shows, seminars and projects sponsored by the Corporation are actually held. Fees received in advance of event days are reflected as deferred revenue.

c. Contributed Services

During the year, the Province of Manitoba provided office space and other administrative services to the Corporation at nil cost. Because of the difficulty of estimating the fair value of such expenses, no contributed services are recognized in the financial statements.

d. Use of Estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. Short–term investments

Short-term investments are carried at cost which approximates market. Funds available for investment are invested with the Province of Manitoba.

4. Deferred Revenue

Deferred revenue represents fees received in advance of event days for specific trade projects. Changes in the deferred balance are as follows:

	2007 $	2006 $
Balance, beginning of year	-	1,360
Less amount recognized as revenue in the year	-	(1,360)
Add amounts received and deferred during the year	16,850	-
Balance, end of year	16,850	-

5. Operating Advance Payable

The Corporation has a $500,000 non-interest bearing working capital advance from the Province of Manitoba. It is payable on demand.

6. Related Party Transactions

The Corporation is related in terms of common ownership to all departments, Crown organizations and government enterprises created by the Province of Manitoba. The Corporation enters into transactions with these entities in the normal course of business and records these transactions at the exchange amount, which is the amount agreed upon by both parties.

During the year, the Corporation's transactions with related entities were as follows:

Contract Fee Recoveries	$364,112
Participation Fees	$2,833
Interest Revenue	$19,696
Audit Fees	$6,100

7. Financial Instruments

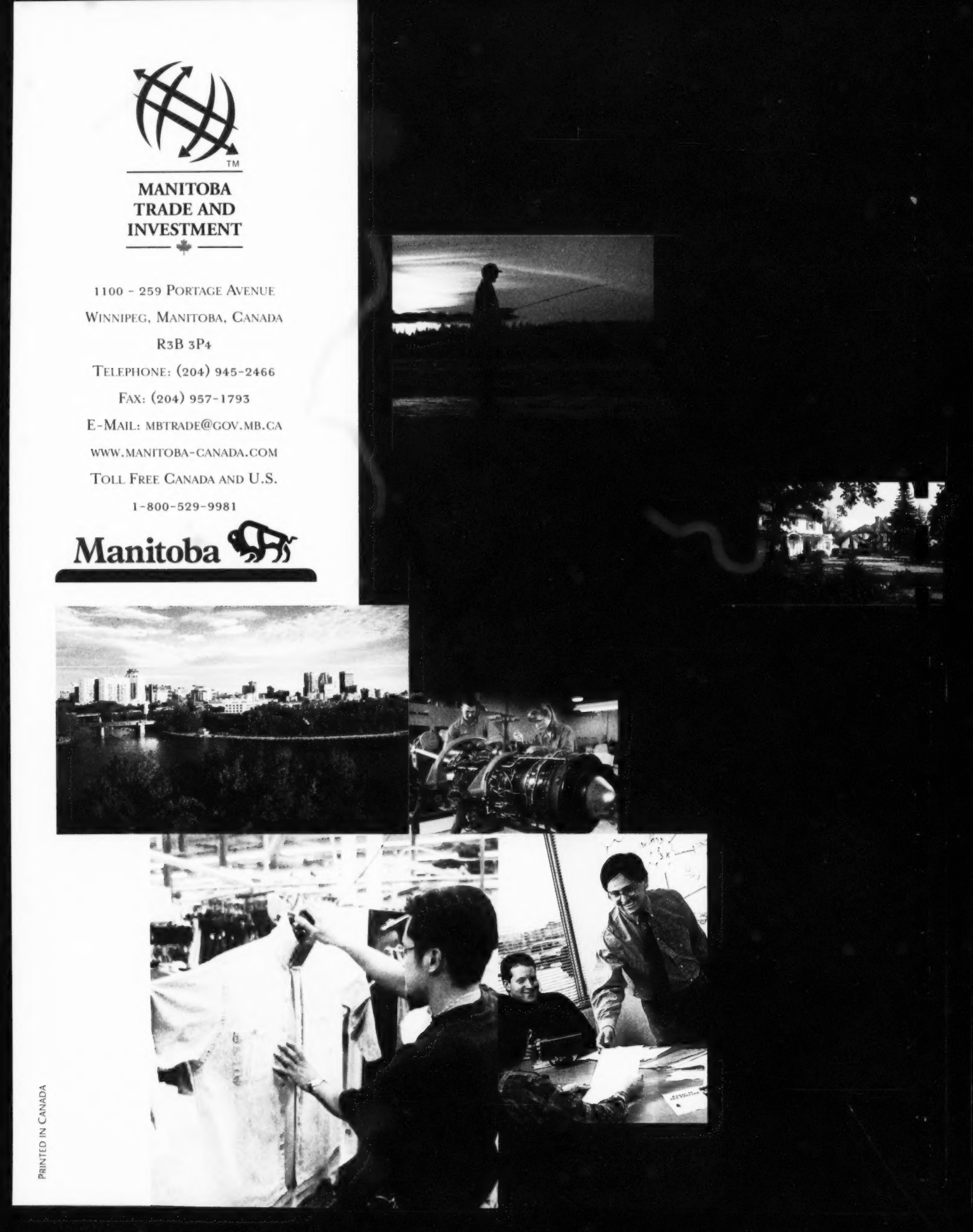
The carrying amounts of current assets and liabilities are a reasonable estimate of their fair value because of the short-term maturity of these instruments.

8. Restatement of Prior Period

During the year it was determined that a receivable from the Province of Manitoba was not recorded in the prior year with respect to contract fee recoveries. The correction was accounted for retroactively with a restatement of the prior period. As a result, net income and retained earnings has increased by $23,099, Accounts Receivable – Province of Manitoba has increased by $20,818, and Accounts Payable – Province of Manitoba has decreased by $2,281 as at March 31, 2006.

Manitoba Trade and Investment Corporation thanks our many friends and partners throughout Canada and the world for their help and encouragement in 2006/07. We look forward to continuing good relations in the coming year.

Nous remercions tous nos partenaires pour leur assistance et encouragement en 2006/07.



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